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THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY

29 - 31 JULY 1964
~~TOP SECRET~~

31 July 1964

1. Cyprus: Makarios continues his uncompromising stand against a settlement by negotiation.

He has publicly rejected Acheson's proposals as "absolutely unacceptable" and the Greeks tell us they cannot control him.

The Greek foreign minister now assumes no agreement on Cyprus can be reached as long as Makarios has a voice in the matter. So, he has suggested the tactic of a secret Greek-Turkish understanding. This would not be put into effect until after enosis, when Makarios would presumably be out of the picture.

Turkish military and naval units are again in positions where they can move quickly to Cyprus, if necessary. Turkish officials have given no indications that an early move is anticipated.

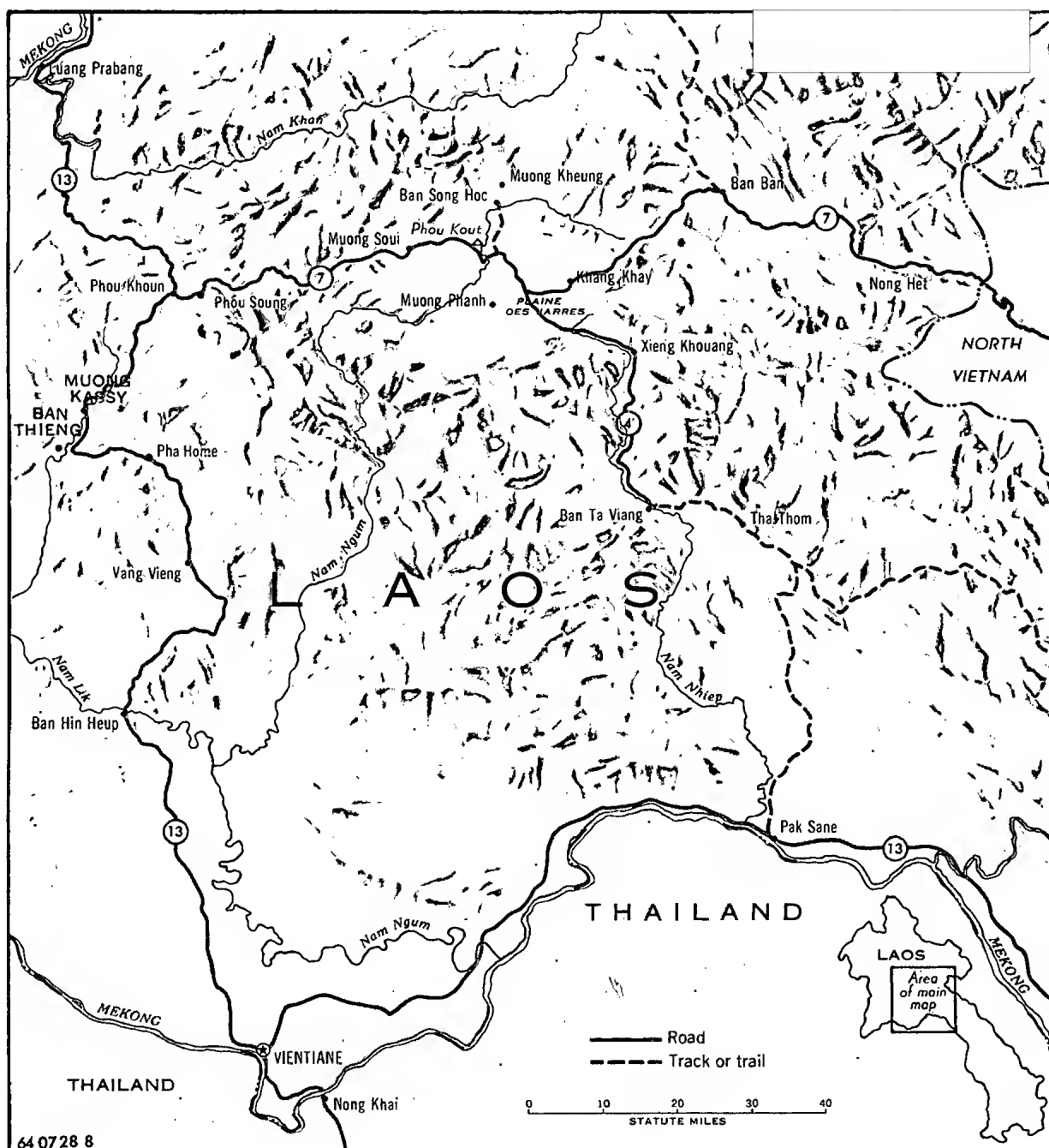
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Greek arms shipments continue to arrive on the island, but no serious incidents have occurred for some time.

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2. Laos: Operation Triangle has so far met little enemy resistance. Government forces appear well on their way to gaining full control of Route 13 from Vientiane up to Luang Prabang.

Little has changed around Muong Soui. Phou Kout hill still changes hands periodically.




In Paris, De Gaulle's idea of how to go about settling the Southeast Asian problem is becoming a little clearer. He apparently wants a series of conferences, starting on Laos and ending with Vietnam.



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3. South Vietnam:  sign that the Khanh government is at least considering the idea of a negotiated settlement.

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Khanh's minister of state [redacted]
[redacted] has been talk-
ing terms with the Viet Cong. [redacted]
[redacted] Khanh does not yet know it. [redacted]
[redacted]

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Two large-scale ambushes by the Viet Cong took place north of Saigon in midweek. Losses were high on both sides. Elsewhere, the Communists are keeping up their harassment of villages and outposts, and mining of roads, mostly in the south.

4. Jordan: Husayn's commitment to the united Arab military force may soon force him to accept Soviet arms.

His current military mission to the US--headed by Brigadier Khammash--is pleading for US arms, including F-104Gs, but Jordan does not have the money and little prospect of getting it. There is also the long-established US policy against becoming a major supplier of offensive arms to any Arab state or Israel.

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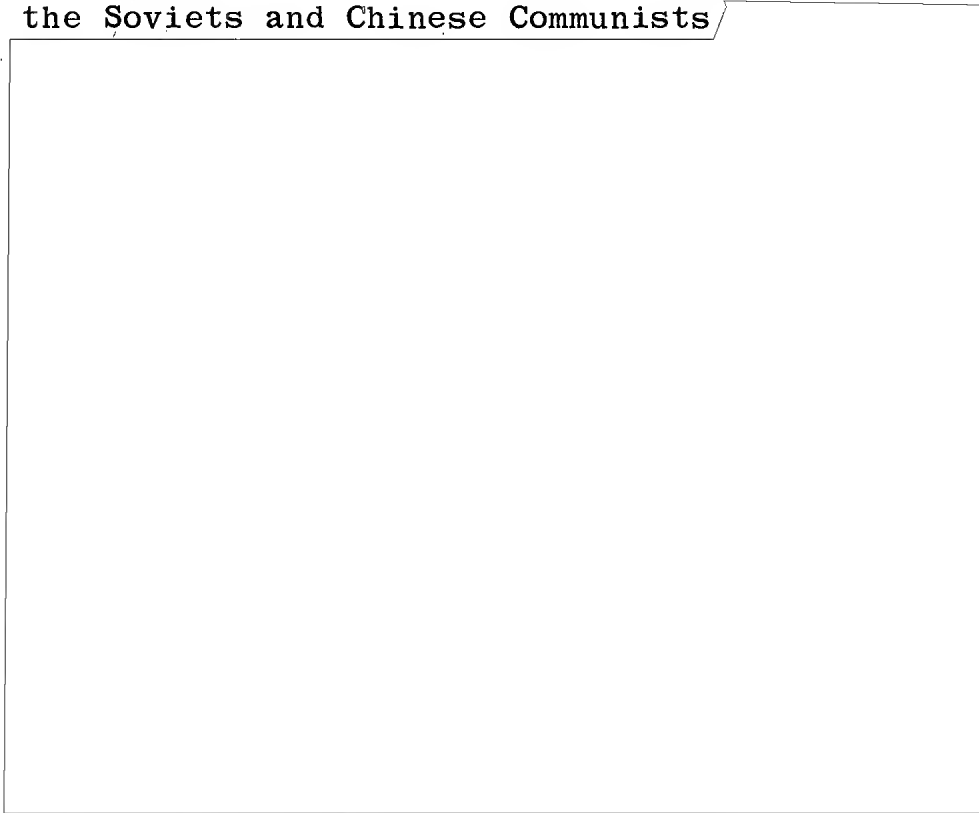
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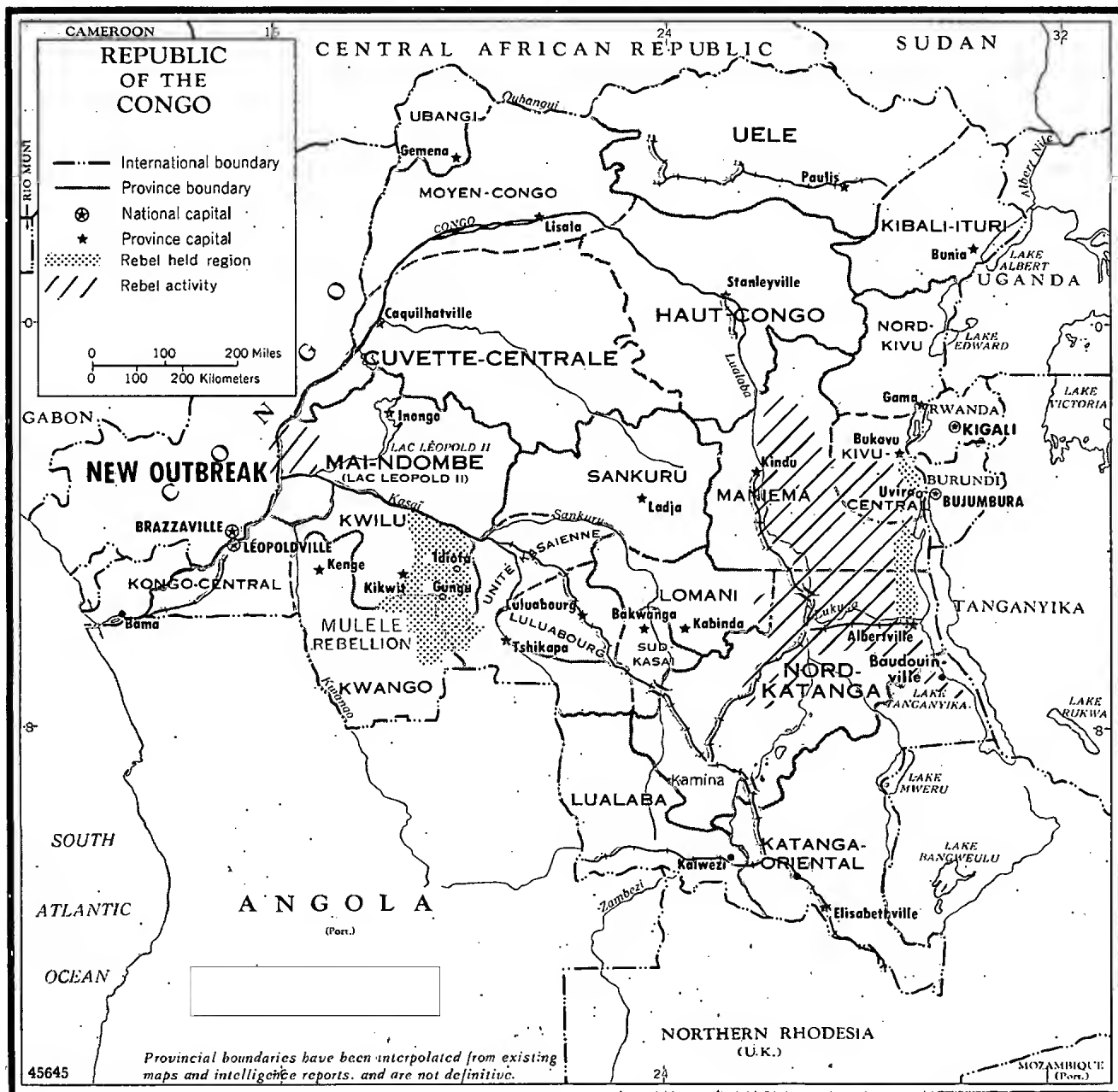
The outcome thus appears very likely to be a Jordanian decision to accept Soviet MIG-21s, and whatever other arms cannot be obtained from Western sources.

5. Israel - East Africa: Israel is building an ambitious military aid program in East Africa.

The goal is to pre-empt the field from the Soviets and Chinese Communists

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6. Congo: The rebel groups are enlarging their areas of control.

New violence has broken out in the Western Congo. A group claiming to belong to the left-ist Committee of National Liberation now controls key points on the river-rail route through Mai-Ndombe Province about 100 miles north of Leopoldville. These rebels say they will march on the capital.

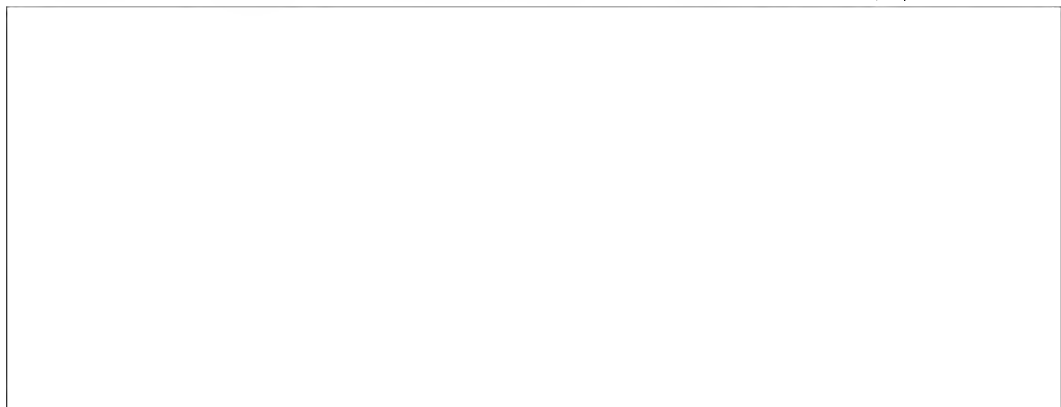
In the East, rebels are moving toward Stanleyville, where two unreliable companies of the Congolese Army have been sent to intercept them. Rebels in North Katanga may have taken Kamina, on the main Elisabethville-Leopoldville route and only about 150 miles north of the key mining centers of Jadotville and Kolwezi.

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Tshombé has about given up trying a reconciliation with rebel leaders. His only recourse now would seem to be to his former Katanga gendarmes, probably with white mercenaries leading them. About fifty of the latter are in Leopoldville, with at least that many more ready to come from South Africa.

Tshombé is almost certain to react sharply if the rebels try moving south from Kamina. This is his home territory and one of the Congo's richest areas.

7. Cuba-Peru: We now believe that Havana has cut off financial aid to the Castro-inspired Movement of the Revolutionary Left (MIR). MIR was active in the successful agitation last spring among the peasantry to take over privately owned farm and grazing land.



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8. China-USSR: Peiping made a quick rebuttal to Moscow's call for an international Communist party meeting.

The Chinese Communist statement, [redacted] warns the undecided parties that acceptance of the Soviet bid would speed a Sino-Soviet split.

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The Chinese figure to profit either way. If a "preparatory" meeting of pro-Soviet parties is held, Peiping can say it is a move toward an open break. If canceled, the Chinese can claim they forced Moscow to back down.

9. West Germany - Communist China: The two countries concluded their first sizeable deal this week. Peiping will buy \$12.5 million worth of oil refining equipment.

10. Chile: The group surrounding leftist candidate Allende is getting worried over his prospects, with the election about a month away. The polls and public opinion favor the less radical Eduardo Frei, but the race may be close.

11. UK-Yemen-UAR: [redacted]

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USSR-UN:

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Venezuela:

a renewal of Communist terrorism in
Venezuela.

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UK-Libya: The British are ready to make concessions to the Libyans on the base rights problem. They apparently intend to pull their garrisons out of Benghazi and Tripoli in exchange for guarantees on transit and staging rights at the air base in El Adem.

A deal like this would probably stiffen the Libyan position in negotiations with us on Wheelus.

15. Cambodia - South Vietnam: The Cambodian Foreign Ministry has followed up Sihanouk's charges by giving our embassy a very strong note accusing the US and South Vietnam of dropping "poison powder" on Cambodian villages.

The note says Cambodia cannot accept US denials of participation or refusal to accept responsibility. It demands that the US cease "this barbarous new form of aggression" and offer apologies and compensation.

The Phnom Penh press and radio are giving the alleged incidents full play.

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16. UK-India: The British have heard that New Delhi is seeking Soviet aid for naval shipbuilding and are hastily preparing to make an offer of their own.

London is ready to sell three old frigates, and possibly coastal minesweepers and a submarine. In addition, the UK will offer a \$38-million loan for the Indians to build themselves three new frigates.

The British, aware of what military aid to India does to Pakistani hackles, are also considering what they can offer Ayub.

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USSR: Keyhole mission 1008-1 has shown us a Soviet submarine larger than any we have seen before.

Preliminary measurements of the vessel--being launched at a Severodvinsk shipyard on the White Sea near Archangel--indicate it may be some 420 feet long.

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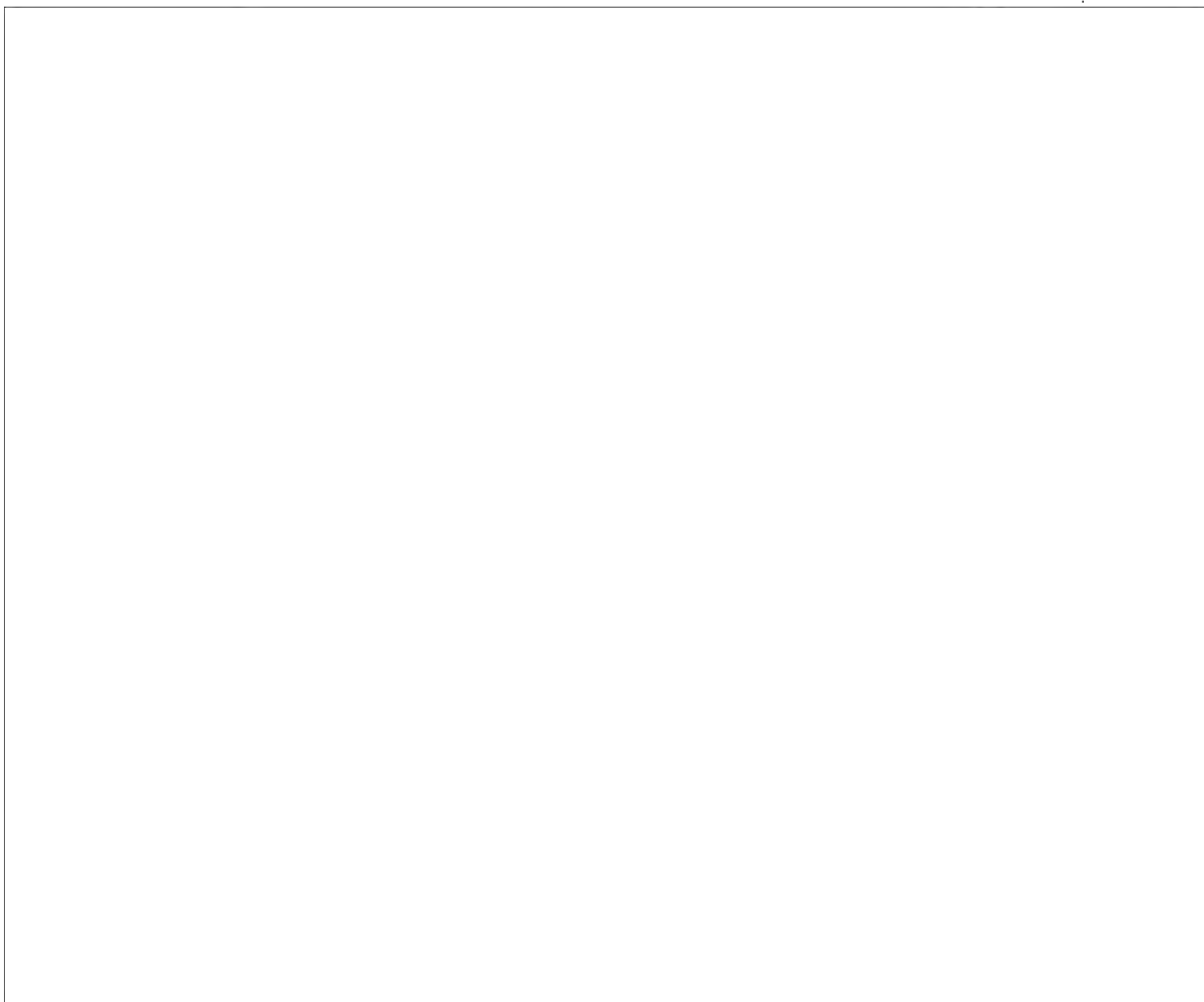
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